

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER  
FINANCE AND MANAGEMENT SERVICES

FRANK H. MURKOWSKI, GOVERNOR

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May 10, 2004

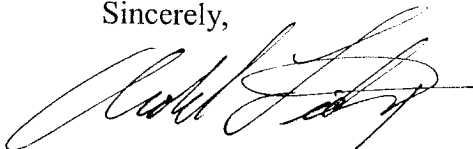
John Abreau, Chief Financial Officer  
Valley Hospital Association  
515 E. Dahlia Street  
PO Box 1687  
Palmer, AK 99645

Dear Mr. Abreau:

I apologize for the delay in our response to your letter dated December 26, 2003. In this letter you stated that Valley Hospital will not be able to accept the capital grant (Denali Commission Funds) in the amount of \$299,500 since Valley Hospital Association will become a for profit association when it joins forces with a privately operated hospital. Since the state is not able to award funds to for profit agencies, you are correct in that the Department will not be able to award these funds to your agency.

If we do not receive any additional information from you by May 30, 2004, we will release our encumbrance on these grant funds and cancel the award to Valley Hospital. We are sorry that we will not be able to work with you in the administration of these grant funds and we wish you and Valley Hospital the best.

Sincerely,



Arnold Liebelt  
Facilities Manager

Cc: Janet Clarke, Assistant Commissioner, Finance and Management Services  
Elmer Lindstrum, Project Manager, Finance and Management Services  
David Pierce, Certificate of Need Program  
Joel Neiemeyer, Health Facilities Program Manager, Denali Commission